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FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 2237
INFO RUEHML/AMEMBASSY MANILA 3322
RUEHGP/AMEMBASSY SINGAPORE 6518
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS JAKARTA 000763

SENSITIVE
SIPDIS

EAP/MTS, EAP/EP FOR K. HADDA, EEB/IFD/ODF FOR R. LEATHAM
SINGAPORE FOR SUSAN BAKER
MANILA FOR P. CURRY AT ADB

E.O. 12958: N/A
TAGS: [ECON](#) [EAID](#) [PREL](#) [PGOV](#) [ETRD](#) [ID](#)
SUBJECT: INDONESIA SUPPORTS ADB GENERAL CAPITAL INCREASE,
REFORM

REF: SECSTATE 41663

¶1. (U) Indonesian officials expressed strong agreement with the proposed 200 percent General Capital Increase (GCI) for the Asian Development Bank and welcomed U.S. support for the GCI. Increased resources for the ADB remain a government of Indonesia priority and has assumed greater importance after the onset of the global economic crisis.

¶2. (U) Embassy delivered reftel demarche to Cicilia Rusdiharini, Deputy Director for American Affairs at the Department of Foreign Affairs on April 28 and to Teni Widuriyanti, Head of Sub-Directorate for Multilateral Foreign Funding, State Ministry of National Development Planning (Bappenas), and Mada Dahana, also of Bappenas, on April 29.

¶3. (SBU) Indonesia strongly supports the proposed GCI, advised Widuriyanti. Additional resources are needed to fund priority infrastructure projects and support developing countries in their efforts to maintain key public expenditures during the current global economic crisis. Widuriyanti took on board our point about the importance of progress on reforms for U.S. efforts to secure Congressional approval for increased U.S. contributions to the ADB. She said Indonesia also supported continued ADB reforms and had fed specific items on multilateral development reform into the G-20 Working Group IV on reform of MDBs. Widuriyanti had not seen the March 16, 2009 working paper on the GCI with the specific areas of reforms to which the ADB committed itself.

¶4. (SBU) Widuriyanti agreed that reforms such as regular publication of the list of sanctioned companies would enhance the effectiveness of ADB assistance. (Note: On April 29, Bappenas Executive Secretary Syahril Loetan was quoted in the press expressing doubts about the accuracy of the ADB black list. Widuriyanti explained that the lack of detailed information about companies and individuals on the list triggered questions about its accuracy. End note) She noted Indonesia also supported reform of ADB human resources policies and sought greater opportunities for Indonesian nationals on ADB's staff.

¶5. (SBU) Dahana advised that the government of Indonesia supported effective safeguard standards, but noted it had experienced some problems related to land acquisition as a result of conflicts between Indonesian national law

governing compensation for land acquisition and ADB requirements. Dahana and Widuriyanti advised that the Indonesian government had engaged in discussions with non-governmental organizations and the ADB on safeguard issues, particularly related to the environment. They expressed some concern about a growing gap between the level of safeguards sought by some NGOs and the level provided in accordance with national safeguard policies.

HUME